

**2/19/80 [2]**

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THE WHITE HOUSE  
WASHINGTON

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by 4 pm Mon

J

Patti  
American Legion  
Speech

D AFT P1/A  
February 18, 1980

American Legion Legislative Conference

Thank you, Frank, for your introduction and for your service to this country as National Commander of the American Legion.

It is a pleasure to be here with my fellow Legionnaires, and to represent American Legion Post 2 of Americus, Georgia, where my father also served after World War I.

It has been three-and-a-half years since I outlined to you my national security goals.

I am proud of our success in fulfilling those plans since I took office. We remain the world's most powerful force and our nation and the Congress are now joined with me in keeping the United States second to none in military strength.

This has not always been true. During the last 12 years the Congress has cut the proposed defense budgets by a total of more than \$50 billion -- an average reduction of more than \$4 billion per year. Recently this pattern has changed and we have obvious and growing support for a strong national defense.

I am thankful that more and more Americans agree with you and me that only a strong America can remain an America at peace.

We are determined also to see the blessing of peace enjoyed by others.

At Camp David and in my personal negotiations in the Middle East we have promoted peace between Egypt and Israel. In just a few days a milestone will be passed in history when full diplomatic recognition is to be consummated with the exchange of Ambassadors between the two countries.

We have completed 14 years of negotiation and then concluded the historic Panama Canal treaties, which will protect American interests, assure continued responsible operation of the canal, require us to protect the canal now and in the distant future, and strengthen our influence in a strategic area of this hemisphere.

We have negotiated a sound strategic arms limitation treaty, which has great advantages for our country. It will enhance world stability and peace. It will continue the process of arms control begun by President Eisenhower and continued by every other American President. It will prevent an expensive and dangerous nuclear arms race which would be counter-productive for both <sup>ourselves and the</sup> countries <sup>Soviet Union</sup> and would <sup>require funding which would</sup> compete with our <sup>plans</sup> ability to improve American conventional forces. It will <sup>help</sup> ~~improve~~ <sup>ability</sup> ~~our ability~~ <sup>chance</sup> to prevent the proliferation of nuclear weapons among other nations. It will require substantial reduction in present numbers of Soviet nuclear launchers. It will <sup>enhance</sup> ~~improve~~ our ability to monitor the nuclear forces of the Soviet Union.

SALT II is not a panacea. It is a supplement -- not a substitute -- for a strong defense. SALT II is not based on trust. It can be verified by our own technical means.

I will consult closely with Congress when the time comes to move toward ratification of the treaty.

*During my administration we*

~~We~~<sub>a</sub> have joined with our Atlantic allies to strengthen NATO -- both its spirit and its military capability. There is a new sense of cooperation and resolve, and greater confidence that we can deter aggression.

*successful*

Another<sub>a</sub> action has great strategic importance. We have retained our trade and friendship with the people of Taiwan and at the same time normalized relations with China. We have a great opportunity now to expand this new relationship with mutual advantage to both countries and with a better prospect for a stable and peaceful Asia. This is the first time since the birth of our nation that we ~~are~~<sup>*have been*</sup> on friendly terms with both Japan and China at the same time.

And, as you well know, our commitment to democracy, to human rights, self-determination, and economic development have greatly improved our relations with the Third World.

Yet today we face new and serious challenge.

At this very moment, some 50 Americans are being held hostages by a mob of Iranian militants. I might add that the seizure of the 50 innocent people was despicable and unwarranted, and a gross violation of international law. Those who try to blame our own country for this illegal act are seriously confused and mistaken.

The safe release of the hostages depends on our firmness, patience, our national unity and resolve.

I cannot -- and will not -- rest until every American is at home, safe and free.

Also at this moment, some 100,000 Soviet troops seek to subjugate a proud and once-independent Afghanistan, a nation that <sup>posed no challenge</sup> ~~was no threat~~ to Soviet security and wanted only to be left alone.

This Soviet invasion poses a threat to the lifeblood of the free world -- oil. It has altered the careful balance of power in a vital, and volatile, part of the world.

That is why I did not hesitate to answer Soviet aggression with severe economic sanctions, including a halt to restrictions on grain shipments and sales of high technology.

That is why we joined with 103 other countries in the United Nations to condemn this aggression and <sup>to</sup> demand withdrawal of Soviet troops from Afghanistan.

I have served notice that we will boycott the Moscow Olympics unless Soviet invasion forces withdraw by February 20. That deadline is tomorrow.

Finally, I have served notice in my State of the Union address: <sup>A</sup> "An attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States of America -- and such an assault will be repelled by any means necessary, including military force."

And as I also stated clearly to the Congress: ~~that~~ while protecting the constitutional rights of Americans, and ~~while~~ avoiding abuses of the past, it is imperative that we remove all impediments to an effective intelligence capability for our nation.

I am strengthening our own military presence in the <sup>Persian Gulf</sup> region, <sup>we are</sup> ~~And I am~~ working with and encouraging other nations in the region to build a cooperative security framework.

To underscore our resolve and readiness, I have stepped up our overall defense effort and proposed registration of draft-age Americans.

Within our own country there are loud voices being raised against these necessary actions -- against the grain embargo -- against the Olympic boycott -- against registration for the draft -- against full funding of the defense budget I have proposed. In this developing debate, <sup>Concerning our national security</sup> I need the support of my fellow Legionnaires.

Every action I have taken is designed to preserve peace. We will be consistent and our motives are clear. We must leave no room for doubt among our allies nor for miscalculation among our potential adversaries.

We have pursued -- and will pursue -- every opportunity to ease tensions. We have been cautious and restrained. We seek peace.

It is obvious that the Soviet leaders miscalculated in Afghanistan. They underestimated the courage, <sup>and tenacity</sup> of the freedom fighters in the country, and they, <sup>did not anticipate</sup> ~~miscalculated~~ the world's <sup>quick</sup>

and forceful response. They are now paying the price -- in our own actions, in those of our allies, and in the condemnation of virtually the entire Muslim and Third World.

The Soviets have not announced their intentions. We cannot be certain if they will withdraw, if they seek only colonial domination of Afghanistan, or if they seek other conquests.

But we do know that our intentions must be crystal clear, that we stand firm against aggression, that we seek a return neither to the Cold War nor to business as usual.

Our firmness is not a prelude to war. It is not overreaction. It is simply prudence -- to reduce the chances for a misjudgment that would be fatal to peace. It is a reaffirmation of a long-term commitment and a sustained response to a strategic challenge.

It is fortunate that our measured response to this aggression comes at a time when our military strength is unequalled and growing, in keeping with my commitment to you in 1976.

We have reversed a dangerous decline in defense spending. From 1969 to 1976, real defense outlays -- constant dollars actually spent -- declined every year. In constant dollars, defense spending declined by one-third in those eight years.

President Ford began to reverse this pattern, so that beginning in 1977 outlays for defense have increased every year. Our five year defense program will continue this trend.

I would like to reemphasize that for several years my Administration, in cooperation with the Congress, has been engaged in a substantial and carefully planned strengthening of our military forces. In December of last year -- well before the Soviet invasion -- the Secretary of Defense presented to the Congress the broad outlines of my plans for defense spending

in the 1981 budget, and last month I submitted the budget itself.

The Soviet invasion of Afghanistan made everyone more aware than ever of the importance of a strong defense capability. But since we had begun the process of strengthening our military forces several years ago, the developments in South <sup>west</sup> Asia do not now require any major redesign of the 1981 defense budget.

The increase in the defense budget for fiscal Year 1981 is the amount I consider absolutely necessary to assure our national security. It is a carefully measured amount, and it in no way signals a new "boom" in defense spending. The percentage of Gross National Product represented by defense expenditures is about 5 percent, and that share will vary by less than two-tenths of 1 percent of GNP from FY 1980 to FY 1981. The impact of this additional expenditure on the

inflation rate will be negligible. So would the impact of any foreseeable further adjustments.

We must respond firmly to Soviet aggression in Afghanistan, and to the challenge of Soviet military power *Under existing Circumstances,* throughout the world. I intend to meet this challenge with steady and sustained increases in our defense budget. These increases are clearly within the capability of our economy to handle in an orderly and noninflationary manner.

Moreover, we are spending our money well. We have markedly improved our defense capabilities in three years.

We are strengthening our strategic "triad" that deters the Soviet nuclear threat.

I accelerated development of cruise missiles, which begin production this year. Because of their small size and large numbers, cruise missiles will be far more cost-effective than the B-1 bomber would have been for penetrating foreseeable Soviet air defenses.

We have initiated a new MX missile program, and resolved schedule and contract problems that had stalled the Trident submarine program. The first Trident was launched last year, and six more are under construction.

*Because we*  
~~We~~ have continued to emphasize a stronger NATO, which had languished during the Vietnam War, *we*

~~We~~ now have commitments from our NATO partners for an annual three percent real growth in their defense budgets.

We have begun joint developments of new weapons, enhanced our ability for rapid deployment of ground and air forces to Europe in a crisis, and have spurred modernization of NATO theater nuclear forces to meet a threatening buildup of nuclear weapons by the Soviet Union.

Our NATO allies keep three million troops on active duty. Added to our roughly two million, this forms a powerful and effective force *for the defense of Western Europe.*

From the beginning of my Administration, I have also emphasized <sup>The general</sup> modernizing <sup>of</sup> our conventional forces, to respond to military threats <sup>not only</sup> in Europe <sup>but in</sup> and other vital areas.

We are reequipping our ground forces, and have already expanded the number of tank and infantry battalions.

We are modernizing our Navy with new guided-missile ships, Harpoon cruise missiles, and a new class of attack submarines. We now have underway the first full-scale modernization of tactical air forces since the 1960s.

We are capable today of responding to a <sup>threat to peace in</sup> ~~crisis~~ virtually <sup>any area of</sup> ~~anywhere in~~ the world. Our naval task force near the Persian Gulf testifies to our mobility and strength, and we are building a rapid deployment force which can send <sup>even more</sup> adequate defense forces to any vital area.

To achieve that goal, we have already begun development of a new fleet of large transport planes and a force of

maritime prepositioning ships with enough supplies and heavy equipment for three Marine brigades.

The sum of all these defense efforts is a clear message: We have not abdicated -- and we will not abdicate -- our responsibility to help maintain a peaceful world.

Our commitment to world peace is two-fold: We must be able to meet any military challenge, and we must constantly seek to resolve disputes and reduce tensions.

Preventing nuclear war is <sup>a preeminent</sup> ~~one of our foremost~~ tasks.

That is why the last three U.S. Presidents have negotiated the strategic arms limitations treaties, SALT I and SALT II -- and I will not abandon this effort to control nuclear weapons. In fact, the immediate crisis underscores the importance of mutual constraints on nuclear weapons. I remain committed to the ratification of the SALT II Treaty, because it serves our security interests.

Last month I said in my State of the Union address that we must face the world as it is. We must be searching and honest with ourselves, and with each other.

That is why, three years ago, I was determined to reverse the declining effectiveness of our military forces.

That is why I have worked so hard for a national energy policy. We are dangerously dependent on imported oil, and there is no cheap way out.

Let me quote from the American Legion's own energy policy statements: "Our national security, as well as our economic security, cannot exist without energy independence. . . . it is imperative for all interested parties to sit down together to resolve what is right as opposed to what is wrong with the proposed energy alternatives."

I thank you again for your hard work and effective efforts to help build a secure future for this country.

Being honest with ourselves also means seeking a <sup>higher level</sup> ~~new~~ ~~mix~~ of private and public cooperation to solve our domestic problems. We cannot spend or regulate our way out of every national problem. Nor can we legislate our way out of inflation. That is the truth.

Above all, we cannot have peace and security for ourselves and other nations without a willingness to sacrifice -- whether it is draft registration of young people, <sup>increased strength for ourselves and our allies,</sup> or renewed energy conservation. That is the most important truth of all.

With your help and with the support of the American people, I propose to carry on the struggle for a strong nation, for a just society, and for a peaceful world.

Harry Truman once wrote, "It is not our nature to shirk obligations. We have a heritage that constitutes the greatest resource of this nation. I call it the spirit and character of the American people."

Today, I call again on that spirit and character, *represented* so well by you and others who ~~were~~ <sup>are</sup> willing to defend our nation and to preserve our freedom.

Thank you.

# # #

12:25 pm

THE WHITE HOUSE

WASHINGTON

VISIT WITH OFFICERS' OF THE CONFERENCE

OF GRAND MASTERS OF MASONS

IN NORTH AMERICA

Tuesday, February 19, 1980

12:25 p.m.

The Oval Office

From: Anne Wexler

I. PURPOSE

To briefly greet several Grand Masters of Masons during their annual conference in Washington, D.C.

III. BACKGROUND, PARTICIPANTS, PRESS PLAN

- A. Background: The Conference of Grand Masons invited you to speak at their Annual Banquet on Tuesday. (Former President Ford spoke to them in 1976.) This photo opportunity was arranged in place of your attendance.

The Masons are a fraternal and charitable organization with roots to the fourteenth century. The only formal requirement for membership is that an individual must believe in a deity. Members have included George Washington, Paul Revere, Ben Franklin, Franklin Roosevelt and Harry Truman.

- B. Participants: H. Douglas Lemons (has met you before), Deputy Grand Master of California; William B. Stansbury, Executive Secretary and Past Grand Master; Perry Lester, Grand Master of the District of Columbia; William Koenig, Grand Master of Maryland; Warren Lichty, Grand Master of Nebraska; and David Batchelder, Grand Master of New Hampshire.

- C. Press Plan: White House photographer.

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

C  
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February 19, 1980

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CS*

Subject: Housing Starts in January

On Tuesday (February 19) at 2:30 p. m., the Census Bureau will release the January figure for housing starts.

Housing starts declined 6 percent last month; single-family starts were down 4 percent, and multi-family starts were off 12 percent. Residential building permits, on the other hand, showed a small rise over the December level. The annual rate of housing starts in January, 1.42 million, is 23 percent below the level in the third quarter of 1979, before the Fed's tightening actions.

A 6 percent decline in starts in any one month is not large. Moreover, residential building permits, which rose somewhat in January, are a more reliable indicator of housing activity than the starts figures. Mild winter weather probably contributed to the relative strength of housing activity last month. But these January figures, taken together with the fact that December levels of starts and permits did not change much, suggest that the effect on housing of the Fed's October 6 tightening actions may be largely over. If so, it will be somewhat less decline than we had anticipated, and this is one reason for the continuing relatively strong overall performance of the economy.

Further increases in the general level of interest rates would tend to depress housing from present levels. Today's action by the Fed to raise the discount rate to 13 percent may well be the first in a series of monetary policy steps -- taken in response to the strength of the economy and the continuing bad news on prices -- that will push up interest rates significantly further.

THE WHITE HOUSE

WASHINGTON

February 13, 1980

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MEMORANDUM FOR: THE PRESIDENT  
FROM: RICK HUTCHESON *RH*  
SUBJECT: Memos Not Submitted

1. CAB CASE (Docket 36554) in which OMB, Cutler and all agencies concur. Pan Am, Braniff and TWA requested numerous fare increases. The CAB recently established zones of reasonableness for international air fares, similar to the domestic zones of reasonableness established by the Airline Deregulation Act. In this case, the CAB suspended those requested fare increases which exceeded the initial standard foreign fare levels.
2. ITC CASE in which Askew, OMB, NSC, DPS and all agencies concur. The complainant and respondent reached an agreement under which the respondent will no longer import cyclotrons with features covered by the complainant's patent.
3. DOUG COSTLE MEMO reporting on the Regulatory Council's efforts to eliminate overlapping and inconsistent Federal and state regulations affecting the coal industry. So far, the project (announced by you in Bardstown) has:
  - examined more than 30 problems referred to the Council by Congress, state officials and industry. Of these, 13 have been resolved; 17 are pending.
  - begun an initiative with OMB, GSA and SBA to reduce the paperwork burden on coal operators.
4. PHILIP KLUTZNICK MEMO alerting you that Commerce may have trouble working out with State an agreement to reallocate the fish allotment in our 200-mile zone which you recently withheld from the USSR. NSC and DPS advise that the agencies are likely to work things out and that there is no need for your involvement at this time.

## 5. BOB FROSCH SPACE SHUTTLE REPORT.

- In January, "it became apparent that our progress toward completion of the installation and testing of the thermal protection system tiles was not meeting our expectations." The tiles now being installed have satisfactory thermal properties, but lack mechanical properties of more conventional structural materials (brittle, difficult to attach to metal). "We have concluded that, although the system is difficult to work with, we now understand it well enough to proceed with the installation and test activities with confidence. We expect, however, to replace more tiles than we had planned and our test program will be more extensive than we had anticipated...a delay of 4-5 months from our anticipation last December." OMB and DOD have been informed.
- "A highly successful series of flight simulations involving many of the launch complex and Orbiter 102 hard and software systems was conducted without major incident in January. Hardware certification for the first flight is now about 83% complete. All other work on the first flight vehicle is proceeding satisfactorily."
- Three full duration firings and four ignition tests were successfully carried out in the main engine certification program. A main propulsion system test run was terminated after ignition as a result of an over-temperature indication; analysis of this problem is not complete.
- Orbiter production has not been affected by delay of the first flight test. The external tank and solid rocket booster systems are on schedule.

THE WHITE HOUSE  
WASHINGTON

Date \_\_\_\_\_

TO:

FROM:

DOUG HURON



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

FEB 11 1980

ACTION

MEMORANDUM FOR THE STAFF SECRETARY

SUBJECT: Civil Aeronautics Board Decision:

Brock Air Services Ltd.

Docket 36162

Due Date: March 10, 1980

You will find attached a memorandum for the President about the above international aviation case. The interested executive agencies have reviewed the Board's decision and have no objection to the proposed order.

This is a routine, noncontroversial matter. No foreign policy or national defense reasons for disapproving the Board's order have been identified. I recommend that the President sign the attached letter to the Chairman which indicates that he does not intend to disapprove the Board's order within the 60 days allowed by statute. Otherwise, the Board's order becomes final on the 61st day.

W. Bowman Cutter

W. Bowman Cutter  
Executive Associate  
Director for Budget

Attachments:

Memorandum to the President  
CAB letter of transmittal  
CAB order  
Letter to the Chairman



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

FEB 11 1980

ACTION

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Civil Aeronautics Board Decision:

Brock Air Services Ltd.

Docket 36162

Due Date: March 10, 1980

The Civil Aeronautics Board proposes to issue a foreign air carrier permit to Brock Air Services Ltd., authorizing the firm to engage in small aircraft charter air transportation services between any point or points in Canada and the United States.

The Departments of State, Defense, Justice and Transportation and the National Security Council have not identified any foreign policy or national defense reasons for disapproving the order and they have no objection to the Board's proposed order. The Office of Management and Budget recommends that you approve the Board's decision by signing the attached letter to the Chairman which indicates that you do not intend to disapprove the Board's order within the 60 days allowed by statute. Otherwise, the Board's order becomes final on the 61st day.

W. Bowman Cutter

W. Bowman Cutter  
Executive Associate  
Director for Budget

Attachments:

CAB letter of transmittal  
CAB order  
Letter to the Chairman

Options and Implementation Actions:

- 1) Approve the Board's order by taking no action.  
(DOS, DOD, DOJ, DOT, NSC, OMB.)  
-- Sign the attached letter to the Chairman.
- 2) Disapprove.  
-- Appropriate implementation materials to be prepared.
- 3) See me.

THE WHITE HOUSE

WASHINGTON

To Chairman Marvin Cohen:

I have reviewed the following order proposed by the Civil Aeronautics Board:

Brock Air Services Ltd.  
Docket 36162

I do not intend to disapprove the Board's order within the 60 days allowed by statute.

Sincerely,

The Honorable Marvin S. Cohen  
Chairman  
Civil Aeronautics Board  
Washington, D.C. 20428

FOR OFFICIAL USE ONLY

UNITED STATES OF AMERICA  
CIVIL AERONAUTICS BOARD  
WASHINGTON, D.C.

Adopted by the Civil Aeronautics Board  
at its office in Washington, D.C.  
on the 8th day of January, 1980

-----:  
:  
Application of :  
:

~~BROCK AIR SERVICES LTD.~~ :

Docket 36162  
:  
:

for a foreign air carrier permit :  
pursuant to section 402 of the :  
Federal Aviation Act of 1958, :  
as amended :  
-----:

ORDER

By Order 79-12-69 , adopted December 13, 1979 , the Board directed all interested persons to show cause why the Board should not, subject to the disapproval of the President, issue a foreign air carrier permit to Brock Air Services Ltd. authorizing it to engage in small aircraft charter air transportation services between any point or points in Canada and the United States.

The order directed persons objecting to the Board's tentative findings and conclusions set forth in that order, or to the issuance of the proposed foreign air carrier permit, to file their objections within 21 days. In addition, the order provided that in the event no objections were filed, all further procedural steps would be considered waived, and the Secretary would enter an order which (1) would make final the Board's tentative findings and conclusions, and (2) subject to the disapproval of the President pursuant to section 801(a) of the Act, would issue a foreign air carrier permit to Brock Air Services Ltd. in the form attached to the order.

No objections to Order 79-12-69 have been filed.

ACCORDINGLY,

1. We make final our tentative findings and conclusions set forth in Order 79-12-69;

2. We are issuing a foreign air carrier permit in the form attached to Brock Air Services Ltd.;

FOR OFFICIAL USE ONLY

3. The exercise of the privileges granted by the permit shall be subject to the terms, conditions, and limitations set forth therein; to such other reasonable terms, conditions, and limitations required by the public interest as may be prescribed by the Board; and to the following condition:

The holder shall not engage in the carriage of persons in foreign air transportation between the United States and Canada to or from a point in Ontario, west of a line drawn due north from Blind River, Ontario (46°11' North Latitude, 82°58' West Longitude) and extending to the border between Ontario and Manitoba, which is not a resort, camp, or outpost operated by a person duly licensed for such purpose by the Government of the Province of Ontario, nor the licensed base of a Canadian charter air carrier, nor a Canadian Customs port of entry; and is required on each flight out of the restricted area to make a stop at a Canadian Customs port of entry or at the licensed base of a Canadian charter air carrier where officers of the Ontario Ministry of Natural Resources may be available to make such inspection as they consider desirable; and shall have available on its aircraft for inspection by the U.S. authorities satisfactory evidence that it has complied with these conditions: Provided, however, that the above prohibition shall not apply to flights performed for purposes of medical evacuation, or other similar emergency situations; provided further that, when the circumstances warrant, the Board may, upon application by the holder, waive all or any part of these restrictions; and provided further that the holder shall clearly notify in writing all persons who contract for the holder's services of the limitations imposed on its operations; 1/

4. The Secretary of the Board shall sign the permit on our behalf and shall affix the seal of the Board; and

5. Unless disapproved by the President of the United States under section 801(a) of the Act, this order and the permit attached shall become effective on the 61st day after its submission to the President, 2/ or upon the date of receipt of advice from the President that he does not intend to disapprove the Board's order under that section, whichever is earlier.

By the Civil Aeronautics Board:

PHYLLIS T. KAYLOR

Secretary

(SEAL)

All Members concurred.

1/ See Order 79-6-83, effective June 12, 1979.

2/ This order was submitted to the President on JAN 10 1980  
The 61st day is MAR 11 1980

UNITED STATES OF AMERICA  
CIVIL AERONAUTICS BOARD  
WASHINGTON, D.C.

-----  
PERMIT TO FOREIGN AIR CARRIER  
FOR SMALL AIRCRAFT OPERATIONS  
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BROCK AIR SERVICES LTD.

is authorized, subject to the provisions of the Federal Aviation Act of 1958, as amended, and the Board's orders, rules, and regulations, to engage in charter foreign air transportation, as follows:

Charter flights with respect to persons and their accompanied baggage, and planeload charter flights with respect to property, between any point or points in Canada and any point or points in the United States.

The holder shall be authorized to perform those types of charters originating in Canada as are now, or may be, prescribed for carriage by small aircraft in Annex B(III)(B) of the Nonscheduled Air Services Agreement between the United States and Canada, signed May 8, 1974, including amendments, supplements, reservations, or supersessions to that Agreement: Provided, that any such charters may be performed only to the extent authorized by the Air Carrier Regulations of the Canadian Transport Commission applicable to operations by small aircraft, and the authority of the holder to perform such charters shall be subject to those Regulations. 1/ The authority of the holder to perform United States-originating charters shall, in accordance with Annex B(III)(A) of the Nonscheduled Air Services Agreement, be limited to commercial air transportation of passengers and their accompanied baggage, and property, on a time, mileage or trip basis, where the entire planeload capacity of one or more aircraft has been engaged by a person for his own use or by a

1/ Annex B(III)(B) currently authorizes Canadian-originating small aircraft charters of the types prescribed in section (II)(B); but only to the extent applicable to small aircraft pursuant to Canadian Transport Commission Regulations. The applicable types of charters presently authorized are: Single Entity Passenger, Single Entity Property, Pro Rata Common Purpose, and Inclusive Tour (in some instances split-passenger charters are authorized).

person for the transportation of a group of persons and/or their property, as agent or representative of such group, or such small aircraft operations as may be authorized pursuant to any amendment, supplement, reservation or supersession to that Agreement.

This permit shall be subject to the following terms, conditions, and limitations: 2/

(1) In the performance of the charter operations authorized by this permit, the holder shall not use "large aircraft" as defined in Annex A(I)(A) of the Nonscheduled Air Services Agreement between the United States and Canada, signed May 8, 1974, including amendments, supplements, reservations, or supersessions to that Agreement.

(2) ~~The holder shall not engage in foreign air transportation between the United States and any point or points, other than a point or points in Canada, or transport any property or persons whose journey includes a~~ prior, subsequent, or intervening movement by air (except for the movement of passengers independently of any group) to or from a point not in the United States or Canada: Provided, that the Board may, upon application by the holder, or by regulation, authorize the performance of charters where such movements are involved.

(3) The holder shall not perform United States-originating charter flights which at the end of any calendar quarter would result in the aggregate number of all United States-originating charter flights performed by the holder on or after May 8, 1974, exceeding by more than one-third the aggregate number of all Canadian-originating charter flights performed by the holder on or after May 8, 1974: Provided, that the Board may authorize the performance of charters not meeting the requirements set forth. For the purpose of making such computation the following shall apply:

(a) A charter shall be considered to originate in the United States (or Canada) if the passengers or property are first taken on board in that country, and shall be considered as one flight whether the charter be one-way, round trip, circle tour, or open jaw, even if a separate contract is entered into for a return portion of the charter trip from Canada (or the United States).

(b) The computation shall be made separately for (i) "small aircraft" flights of persons; and (ii) "small aircraft" flights of property.

(c) In the case of a lease of aircraft with crew for the performance of a charter flight on behalf and under the authority of another carrier, the flight shall be included in the computation if the holder is the lessee, and shall not be included if the holder is the lessor.

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2/ The exercise of the privileges granted by this permit is also subject to the condition set forth in paragraph 3 of the order issuing this permit, which shall remain in effect until further order of the Board.

(d) There shall be excluded from the computation:

(i) flights utilizing aircraft having a maximum authorized takeoff weight on wheels (as determined by Canadian Transport Commission Regulations) not greater than 18,000 pounds; and

(ii) flights originating at a United States terminal point of a route authorized pursuant to the Air Transport Services Agreement between the United States and Canada, signed January 17, 1966, as amended, or any agreement which may supersede it, or any supplementary agreement thereto which establishes obligations or privileges thereunder (if, pursuant to any such agreement, the holder also holds a foreign air carrier permit authorizing individually ticketed or individually waybilled service over such route, and provides some scheduled service on any route pursuant to any such agreement), when such flights serve either (a) a Canadian terminal point on such route, or (b) any Canadian intermediate point authorized for service on such route by such foreign air carrier permit.

(4) The holder may grant stopover privileges at any point or points in the United States only to passengers and their accompanied baggage moving on a Canadian-originating flight operating under a contract for round trip charter transportation to be provided solely by the holder and as to which the same aircraft stays with the passengers throughout the journey; Provided, that the Board may authorize the performance of charters not meeting the requirements set forth.

(5) The Board, by order or regulation and without hearing, may require advance approval of individual charter trips conducted by the holder pursuant to the authority granted by this permit, if it finds such action to be required in the public interest.

(6) The holder shall not engage in flights for the purpose of industrial or agricultural operations (i.e., crop dusting, pest control, pipeline patrol, mapping, surveying, banner towing, skywriting, aerial photography) within the United States unless a permit has been issued by the Board in accordance with Part 375 of its Regulations.

(7) The holder shall conform to the airworthiness and airman competency requirements prescribed by the Government of Canada for Canadian international air service.

(8) The holder shall not operate any aircraft under the authority granted by this permit, unless the holder complies with the operational safety requirements at least equivalent to Annex 6 of the Chicago Convention.

(9) This permit shall be subject to all applicable provisions of any treaty, convention, or agreement affecting international air transportation now in effect, or that may become effective during the period this permit remains in effect, to which the United States and Canada shall be parties.

(10) This permit shall be subject to the condition that the holder shall keep on deposit with the Board a signed counterpart of CAB Agreement 18900, an agreement relating to liability limitations of the Warsaw Convention and the Hague Protocol approved by Board Order E-23680, May 13, 1966, and a signed counterpart of any amendment or amendments to such agreement which may be approved by the Board and to which the holder becomes a party.

(11) The holder (1) shall not provide foreign air transportation under this permit unless there is in effect third-party liability insurance in the amount of \$1,000,000 or more to meet potential liability claims which may arise in connection with its operations under this permit, and unless there is on file with the Docket Section of the Board a statement showing the name and address of the insurance carrier and the amounts of liability limits of the third-party liability insurance provided, and (2) shall not provide foreign air transportation with respect to persons unless there is in effect liability insurance sufficient to cover the obligations assumed in CAB Agreement 18900, and unless there is on file with the Docket Section of the Board a statement showing the name and address of the insurance carrier and the amounts and liability limits of the passenger liability insurance provided. Upon request, the Board may authorize the holder to supply the name and address of an insurance syndicate in lieu of the names and addresses of the member insurers.

(12) By accepting this permit, the holder waives any right it may possess to assert any defense of sovereign immunity from suit in any action or proceeding instituted against the holder in any court or other tribunal in the United States (or its territories or possessions) based upon any claim arising out of operations by the holder under this permit.

(13) The exercise of the privileges granted by this permit shall be subject to such other reasonable terms, conditions, and limitations required by the public interest as may be prescribed by the Board.

This permit shall become effective on \_\_\_\_\_ . Unless otherwise terminated at an earlier date pursuant to the terms of any applicable treaty, convention, or agreement, this permit shall terminate (1) upon the effective date of any treaty, convention, or agreement, or amendment, which shall have the effect of eliminating the charter foreign air transportation authorized from the transportation which may be operated by carriers designated by the Government of Canada (or in the event of the elimination of part of the charter foreign air transportation authorized, the authority granted shall terminate to the extent of such elimination), or (2) upon the effective date of any permit granted by the Board to any

other carrier designated by the Government of Canada instead of the holder, or (3) upon the termination or expiration of the Nonscheduled Air Services Agreement between the United States and Canada, signed May 8, 1974:

However, clause (3) of this paragraph shall not apply if, prior to the occurrence of the event specified in clause (3), the operation of the foreign air transportation authorized becomes the subject of any treaty, convention, or agreement to which the United States of America and Canada are or shall become parties.

The Civil Aeronautics Board, through its Secretary, has executed this permit and affixed its seal on January 8, 1980.

PHYLLIS T. KAYLOR

Secretary

(SEAL)

UNITED STATES OF AMERICA  
CIVIL AERONAUTICS BOARD  
WASHINGTON, D.C.



Adopted by the Civil Aeronautics Board  
at its office in Washington, D.C.  
on the 13th day of December, 1979

-----  
Application of

BROCK AIR SERVICES LTD.

DOCKET 36162

for a foreign air carrier permit  
pursuant to section 402 of the  
Federal Aviation Act of 1958, as  
amended  
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STATEMENT OF TENTATIVE FINDINGS AND CONCLUSIONS  
AND ORDER TO SHOW CAUSE

By application filed July 18, 1979, Brock Air Services Ltd. requests a foreign air carrier permit to engage in charter foreign air transportation of persons and their accompanied baggage, and planeload charter foreign air transportation of property, between any point or points in Canada and the United States, using "small aircraft." 1/ The application is filed pursuant to the Nonscheduled Air Services Agreement signed on May 8, 1974, by the Governments of the United States and Canada.

No answers to Brock Air's application for a foreign air carrier permit have been filed.

Fitness of the applicant

Brock Air was incorporated on October 13, 1978, pursuant to the laws of the Province of Ontario, Canada. The Canadian Air Transport Committee has granted Brock Air a Class 9-4 license which authorizes it to operate charter commercial air services transporting persons and goods between Canada and any other point in North America from a base at Brockville, Ontario, Canada. Brock Air is restricted in its operations to the use of Group A aircraft. 2/

1/ "Small aircraft" are defined by the Nonscheduled Air Services Agreement as aircraft which are not "large aircraft." "Large aircraft" are defined as aircraft having both (a) a maximum passenger capacity of more than 30 seats or a maximum payload capacity of more than 7,500 pounds, and (b) a maximum authorized takeoff weight on wheels greater the 35,000 pounds.

2/ Under Canadian Air Transport Committee Regulations, Group A aircraft have a maximum takeoff weight on wheels not greater than 4,300 pounds.

The Canadian Department of Transport has issued operating certificate No. 4486, May 10, 1979, to Brock Air certifying that its aircraft are adequately equipped, and it is able to conduct safe operations between points in North America from a base at Brockville, Ontario, Canada.

In support of its application, Brock Air states that since its inception it has met all of its financial obligations. The applicant's balance sheet as of January 26, 1979, shows total assets of \$108,890 and total liabilities of \$58,969, resulting in a shareholder's equity of \$49,921. All of the applicant's outstanding debt is owed to its President, Mr. J.W. Langmuir, who is a Canadian citizen. Since Brock Air is a relatively new company, it is unable to provide a twelve-month profit and loss statement.

In further support of its application, Brock Air states that it currently owns and operates two aircraft: a Piper Twin Comanche (twin engine) and a Piper Cherokee (single engine). Both aircraft have a seating capacity of six passengers. The applicant states that prior to performing any operations to the United States, it will obtain the necessary aircraft operating specifications required under Part 129 of the Federal Aviation Regulations. The carrier also states that it has complied with the Board's insurance requirements.

#### Public Interest

The applicant relies on the Nonscheduled Air Services Agreement signed by the Government of Canada and the United States on May 8, 1974 as the basis for the grant of the requested authority. By Diplomatic Note No. 313 dated July 10, 1979, the Government of Canada designated the applicant under the Agreement to perform charter services with small aircraft.

#### Ownership and Control

The directors and key management personnel of Brock Air are nationals of Canada. Mr. J.W. Langmuir is President of the corporation and one of its two Directors. Mr. Langmuir owns 95% of Brock Air's outstanding stock and also holds 100% of its debt. Mr. F.D. Glover is the corporation's Secretary/Treasurer and is also a Director.

The applicant states that neither it, nor its officers, directors, or principal shareholders (i.e., holder of five percent or more of the applicant's stock), own, either directly or indirectly, any other Canadian air carrier or foreign air carrier; or any persons engaged in the business of aeronautics; or any common carrier; or any person whose principal business is the holding of stock in, or control of, any such entities.

In view of the foregoing and all of the facts of record, the Board tentatively finds and concludes that:

1. Brock Air Services Ltd. is substantially owned and effectively controlled by nationals of Canada;

2. It is in the public interest to issue a foreign air carrier permit in the specimen form attached to Brock Air Services Ltd. authorizing it to engage in charter foreign air transportation, with small aircraft, of persons and their accompanied baggage, and planeload charters of property, between any point or points in Canada and the United States;

3. Brock Air Services Ltd. is fit, willing, and able properly to perform the charter foreign air transportation described in the specimen permit, and to conform to the provisions of the Act, and the rules, regulations, and requirements of the Board;

4. The public interest requires that the exercise of the privileges granted by the permit should be subject to the terms, conditions, and limitations contained in the specimen permit attached to this order, and to such other reasonable terms, conditions, and limitations required by the public interest as may be prescribed by the Board; and to the following condition:

The holder shall not engage in the carriage of persons in foreign air transportation between the United States and Canada to or from a point in Ontario, west of a line drawn due north from Blind River, Ontario (46°11' North Latitude, 82°58' West Longitude) and extending to the border between Ontario and Manitoba, which is not a resort, camp, or outpost operated by a person duly licensed for such purpose by the Government of the Province of Ontario, nor the licensed base of a Canadian charter air carrier, nor a Canadian Customs port of entry; and is required on each flight out of the restricted area to make a stop at a Canadian Customs port of entry or at the licensed base of a Canadian charter air carrier where officers of the Ontario Ministry of Natural Resources may be available to make such inspection as they consider desirable; and shall have available on its aircraft for inspection by the U.S. authorities satisfactory evidence that it has complied with these conditions: Provided, however, that the above prohibition shall not apply to flights performed for purposes of medical evacuation, or other similar emergency situations; provided further that, when the circumstances warrant, the Board may, upon application by the holder, waive all or any part of these restrictions; and provided further that the holder shall clearly notify in writing all persons who contract for the holder's services of the limitations imposed on its operations; 3/

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3/ See Order 79-6-83, effective June 12, 1979.

5. The proposed issuance of Brock Air Services Ltd's foreign air carrier permit will neither constitute a "major Federal action significantly affecting the quality of the human environment" within the meaning of the National Environmental Policy Act of 1969, nor a "major regulatory action" under the Energy Policy and Conservation Act as defined in section 313.4(a)(1) of the Board's Regulation; 4/

6. An oral evidentiary hearing is not required in the public interest; 5/ and

7. Except to the extent granted, the application of Brock Air Services Ltd. in Docket 36162 should be denied.

ACCORDINGLY,

1. We direct all interested persons to show cause why the Board should not (1) make final its tentative findings and conclusions, and (2) subject to the disapproval of the President pursuant to section 801(a) of the Act, issue a foreign air carrier permit to Brock Air Services Ltd. in the specimen form attached;

2. Any interested persons objecting to the issuance of an order making final the Board's tentative findings and conclusions and issuing the attached specimen permit shall, no later than January 7, 1980, file with the Board and serve on the persons named in paragraph 5, a statement of objections specifying the part or parts of the tentative findings and conclusions objected to, together with a summary of testimony, statistical data, and concrete evidence expected to be relied upon in support of the objection. If an oral evidentiary hearing is requested, the objector should state in detail why such a hearing is considered necessary and what relevant and material facts he would expect to establish through such hearing which cannot be established in written pleadings. If objections are filed, answers may be filed, but not later than January 17, 1980;

3. If timely and properly supported objections are filed, we will give further consideration to the matters and issues raised by the objections before we take further action: Provided, that we may proceed to enter an order in accordance with our tentative findings and conclusions set forth in this order if we determine that there are no factual issues presented that warrant the holding of an oral evidentiary hearing; 6/

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4/ This is not an action with environmental consequences. See section 312.2(a) of the Board's Procedural Regulations regarding Canadian permits for small aircraft charter operations.

5/ Any interested persons objecting to the issuance of an order making final the Board's tentative findings and conclusions and issuing the attached specimen permit, shall be allowed 21 days from the date of service of this order to respond. Answers may be filed within 10 days thereafter.

6/ Since provision is made for the filing of objections to this order, petitions for reconsideration will not be entertained.

4. In the event no objections are filed, all further procedural steps will be deemed to have been waived, and the Secretary shall enter an order which (1) shall make final our tentative findings and conclusions set forth in this order, and (2) subject to the disapproval of the President pursuant to section 801(a) of the Act, shall issue a foreign air carrier permit to the applicant in the form attached; and

5. We are serving this order upon Brock Air Services Ltd., 7/ the Ambassador of Canada in Washington, D.C., and the Departments of State and Transportation.

We shall publish a summary of this order in the Federal Register and shall transmit a copy of this order to the President of the United States.

By the Civil Aeronautics Board:

PHYLLIS T. KAYLOR

Secretary

(SEAL)

All Members concurred.

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7/ We will also provide a copy of Order 79-6-83 to Brock Air Services Ltd.

UNITED STATES OF AMERICA  
CIVIL AERONAUTICS BOARD  
WASHINGTON, D.C.

-----  
PERMIT TO FOREIGN AIR CARRIER  
FOR SMALL AIRCRAFT OPERATIONS  
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BROCK AIR SERVICES LTD.

is authorized, subject to the provisions of the Federal Aviation Act of 1958, as amended, and the Board's orders, rules, and regulations, to engage in charter foreign air transportation, as follows:

Charter flights with respect to persons and their accompanied baggage, and planeload charter flights with respect to property, between any point or points in Canada and any point or points in the United States.

The holder shall be authorized to perform those types of charters originating in Canada as are now, or may be, prescribed for carriage by small aircraft in Annex B(III)(B) of the Nonscheduled Air Services Agreement between the United States and Canada, signed May 8, 1974, including amendments, supplements, reservations, or supersessions to that Agreement: Provided, that any such charters may be performed only to the extent authorized by the Air Carrier Regulations of the Canadian Transport Commission applicable to operations by small aircraft, and the authority of the holder to perform such charters shall be subject to those Regulations. 1/ The authority of the holder to perform United States-originating charters shall, in accordance with Annex B(III)(A) of the Nonscheduled Air Services Agreement, be limited to commercial air transportation of passengers and their accompanied baggage, and property, on a time, mileage or trip basis, where the entire planeload capacity of one or more aircraft has been engaged by a person for his own use or by a

1/ Annex B(III)(B) currently authorizes Canadian-originating small aircraft charters of the types prescribed in section (II)(B); but only to the extent applicable to small aircraft pursuant to Canadian Transport Commission Regulations. The applicable types of charters presently authorized are: Single Entity Passenger, Single Entity Property, Pro Rata Common Purpose, and Inclusive Tour (in some instances split-passenger charters are authorized).

person for the transportation of a group of persons and/or their property, as agent or representative of such group, or such small aircraft operations as may be authorized pursuant to any amendment, supplement, reservation or supersession to that Agreement.

This permit shall be subject to the following terms, conditions, and limitations: 2/

(1) In the performance of the charter operations authorized by this permit, the holder shall not use "large aircraft" as defined in Annex A(I)(A) of the Nonscheduled Air Services Agreement between the United States and Canada, signed May 8, 1974, including amendments, supplements, reservations, or supersessions to that Agreement.

(2) The holder shall not engage in foreign air transportation between the United States and any point or points, other than a point or points in Canada, or transport any property or persons whose journey includes a prior, subsequent, or intervening movement by air (except for the movement of passengers independently of any group) to or from a point not in the United States or Canada: Provided, that the Board may, upon application by the holder, or by regulation, authorize the performance of charters where such movements are involved.

(3) The holder shall not perform United States-originating charter flights which at the end of any calendar quarter would result in the aggregate number of all United States-originating charter flights performed by the holder on or after May 8, 1974, exceeding by more than one-third the aggregate number of all Canadian-originating charter flights performed by the holder on or after May 8, 1974: Provided, that the Board may authorize the performance of charters not meeting the requirements set forth. For the purpose of making such computation the following shall apply:

(a) A charter shall be considered to originate in the United States (or Canada) if the passengers or property are first taken on board in that country, and shall be considered as one flight whether the charter be one-way, round trip, circle tour, or open jaw, even if a separate contract is entered into for a return portion of the charter trip from Canada (or the United States).

(b) The computation shall be made separately for (i) "small aircraft" flights of persons; and (ii) "small aircraft" flights of property.

(c) In the case of a lease of aircraft with crew for the performance of a charter flight on behalf and under the authority of another carrier, the flight shall be included in the computation if the holder is the lessee, and shall not be included if the holder is the lessor.

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2/ The exercise of the privileges granted by this permit is also subject to the condition set forth in paragraph 3 of the order issuing this permit, which shall remain in effect until further order of the Board.

(d) There shall be excluded from the computation:

(i) flights utilizing aircraft having a maximum authorized takeoff weight on wheels (as determined by Canadian Transport Commission Regulations) not greater than 18,000 pounds; and

(ii) flights originating at a United States terminal point of a route authorized pursuant to the Air Transport Services Agreement between the United States and Canada, signed January 17, 1966, as amended, or any agreement which may supersede it, or any supplementary agreement thereto which establishes obligations or privileges thereunder (if, pursuant to any such agreement, the holder also holds a foreign air carrier permit authorizing individually ticketed or individually waybilled service over such route, and provides some scheduled service on any route pursuant to any such agreement), when such flights serve either (a) a Canadian terminal point on such route, or (b) any Canadian intermediate point authorized for service on such route by such foreign air carrier permit.

(4) The holder may grant stopover privileges at any point or points in the United States only to passengers and their accompanied baggage moving on a Canadian-originating flight operating under a contract for round trip charter transportation to be provided solely by the holder and as to which the same aircraft stays with the passengers throughout the journey; Provided, that the Board may authorize the performance of charters not meeting the requirements set forth.

(5) The Board, by order or regulation and without hearing, may require advance approval of individual charter trips conducted by the holder pursuant to the authority granted by this permit, if it finds such action to be required in the public interest.

(6) The holder shall not engage in flights for the purpose of industrial or agricultural operations (i.e., crop dusting, pest control, pipeline patrol, mapping, surveying, banner towing, skywriting, aerial photography) within the United States unless a permit has been issued by the Board in accordance with Part 375 of its Regulations.

(7) The holder shall conform to the airworthiness and airman competency requirements prescribed by the Government of Canada for Canadian international air service.

(8) The holder shall not operate any aircraft under the authority granted by this permit, unless the holder complies with the operational safety requirements at least equivalent to Annex 6 of the Chicago Convention.

(9) This permit shall be subject to all applicable provisions of any treaty, convention, or agreement affecting international air transportation now in effect, or that may become effective during the period this permit remains in effect, to which the United States and Canada shall be parties.

(10) This permit shall be subject to the condition that the holder shall keep on deposit with the Board a signed counterpart of CAB Agreement 18900, an agreement relating to liability limitations of the Warsaw Convention and the Hague Protocol approved by Board Order E-23680, May 13, 1966, and a signed counterpart of any amendment or amendments to such agreement which may be approved by the Board and to which the holder becomes a party.

(11) The holder (1) shall not provide foreign air transportation under this permit unless there is in effect third-party liability insurance in the amount of \$1,000,000 or more to meet potential liability claims which may arise in connection with its operations under this permit, and unless there is on file with the Docket Section of the Board a statement showing the name and address of the insurance carrier and the amounts of liability limits of the third-party liability insurance provided, and (2) shall not provide foreign air transportation with respect to persons unless there is in effect liability insurance sufficient to cover the obligations assumed in CAB Agreement 18900, and unless there is on file with the Docket Section of the Board a statement showing the name and address of the insurance carrier and the amounts and liability limits of the passenger liability insurance provided. Upon request, the Board may authorize the holder to supply the name and address of an insurance syndicate in lieu of the names and addresses of the member insurers.

(12) By accepting this permit, the holder waives any right it may possess to assert any defense of sovereign immunity from suit in any action or proceeding instituted against the holder in any court or other tribunal in the United States (or its territories or possessions) based upon any claim arising out of operations by the holder under this permit.

(13) The exercise of the privileges granted by this permit shall be subject to such other reasonable terms, conditions, and limitations required by the public interest as may be prescribed by the Board.

This permit shall become effective on \_\_\_\_\_ . Unless otherwise terminated at an earlier date pursuant to the terms of any applicable treaty, convention, or agreement, this permit shall terminate (1) upon the effective date of any treaty, convention, or agreement, or amendment, which shall have the effect of eliminating the charter foreign air transportation authorized from the transportation which may be operated by carriers designated by the Government of Canada (or in the event of the elimination of part of the charter foreign air transportation authorized, the authority granted shall terminate to the extent of such elimination), or (2) upon the effective date of any permit granted by the Board to any

other carrier designated by the Government of Canada instead of the holder, or (3) upon the termination or expiration of the Nonscheduled Air Services Agreement between the United States and Canada, signed May 8, 1974: However, clause (3) of this paragraph shall not apply if, prior to the occurrence of the event specified in clause (3), the operation of the foreign air transportation authorized becomes the subject of any treaty, convention, or agreement to which the United States of America and Canada are or shall become parties.

The Civil Aeronautics Board, through its Secretary, has executed this permit and affixed its seal on

Secretary

(SEAL)



## U.S. REGULATORY COUNCIL

Washington, D.C. 20503

FEB 7 1980

CHAIRMAN

MEMORANDUM FOR THE PRESIDENT

FROM: Doug Costle, Chairman  
Peter Petkas, Director

SUBJECT: Update of the Regulatory Council Coal Project

On July 31, 1979 in Bardstown you announced the Regulatory Council's effort to eliminate overlapping and inconsistent Federal and state regulatory activity affecting the coal industry. To date the project has

- o Examined over 30 specific problems of overlapping and inconsistent regulations referred by the industry, state officials and Congressional offices. Of these, 13 have been resolved; 17 are pending. While promoting the effective achievement of regulatory objectives, we have eliminated conflicting interpretations of Federal and state regulations that interfered with mining operations and expedited part of the Federal permitting process. Industry officials, unions, and environmentalists are very positive about our progress.
- o Begun a special initiative with OMB, GAO and SBA to reduce the Federal, state and local government paperwork burden on coal operators. The effort will be announced in an appropriate way soon.
- o Established a task force of Governors' representatives from 21 coal producing and consuming states to resolve specific problems involving state regulation, paperwork, and Federal/state coordination.
- o Consulted in their home states with Congressmen Mike Synar (D-OK) and Ron Mazzoli (D-KY) and Senator Walter Huddleston (D-KY) and with their coal industry constituents to identify specific regulatory concerns and act to meet them. The members are pleased.

Your appointees Joan Davenport and Guy Martin of Interior, Walter Heine of the Office of Surface Mining, Bob Lagather of the Mine Safety and Health Administration and EPA staff have been key to our success. We will continue to work on specific problems, and focus attention on paperwork, multiple permits, and improved Federal/state coordination. We have a long way to go; but we have made, I think, a respectable start.

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THE SECRETARY OF COMMERCE  
WASHINGTON, D.C. 20230

"FYI"

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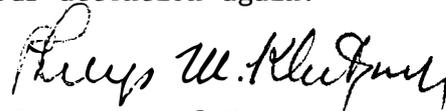
MEMORANDUM FOR THE PRESIDENT

SUBJECT: Reallocation of Fish Allotment in U.S. 200-Mile Zone  
Withheld from the Soviet Union

Your decision to withhold fisheries allocations in our 200-mile zone from the Soviet Union has left unallocated reserves of fish in the Atlantic, Bering Sea/Aleutians and Washington/Oregon/California. By statute, the State Department makes these allocations "in cooperation" with the Department of Commerce. We are currently discussing with the State Department the basis on which the reallocations should be made. I am told that the State Department may favor giving the allotment withheld from the Soviet Union to other countries on the basis of their historical fishing in U.S. waters and political considerations. Our people here favor making the primary consideration in the reallocations our efforts to increase U.S. exports of fishery products. That is, countries which agree to reduce trade barriers for fishery products would get preferential treatment in allocations. I believe this policy would enable us to reduce our \$2 billion trade deficit in fishery products. This trade deficit is unwarranted considering we have 15 percent of the world's fish in our 200-mile zone.

Spain and Japan are two countries which present excellent opportunities for our expanded trade efforts, and we have scheduled negotiations with them in March and April respectively.

We are making every effort to expedite an understanding, but it may be necessary to bring this to your attention again.

  
Secretary of Commerce

The President  
The White House  
Washington, D.C. 20500

## MEMORANDUM

## NATIONAL SECURITY COUNCIL

February 5, 1980

MEMORANDUM FOR: RICK HUTCHESON  
FROM: *Christine Dodson*  
CHRISTINE DODSON  
SUBJECT: Reallocation of Fish Allotment in  
the 200 Mile Zone Withheld from the  
Soviet Union

We share Phil Klutznick's concern about the need to reallocate the Soviet fishing quota on some sensible basis. But we believe that his fears that State will give priority to non-commercial considerations are premature.

State does have legal authority to reallocate unused quotas, but it has informed us that it will consult with Commerce, other agencies, and domestic interests before making any recommendations regarding specific country allocations. We also understand that State plans to take into account the trade benefits cited in Klutznick's memo as well as historical fishing patterns and other considerations in this process. State officials said they strongly support efforts to reduce our large trade deficit in fisheries products.

Under these circumstances, we question whether a memo to the President is really necessary at this time.

Rick--

Kathy reid called re  
Klutznick memo on  
reallocation of Fish  
alottment.

They feel that its is  
too premature to send  
to the P. and that  
Klutznick should be encouraged  
to continue to work it  
out and come back to the  
President when they have.  
Eizenstat agrees in principle  
and feels that Klutznick  
should expedite the  
issue.

marion

# MEMORANDUM OF CALL

TO:

YOU WERE CALLED BY—  YOU WERE VISITED BY—

OF (Organization)

PLEASE CALL → PHONE NO. CODE/EXT. \_\_\_\_\_  FTS  
 WILL CALL AGAIN  IS WAITING TO SEE YOU.  
 RETURNED YOUR CALL  WISHES AN APPOINTMENT.

MESSAGE

RECEIVED BY

DATE

TIME

63-109

★ U.S. G.P.O. 1979-311-156/15

STANDARD FORM 63 (Rev. 8-76)  
Prescribed by GSA  
FPMR (41 CFR) 101-11.6



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

FEB 7 1980

MEMORANDUM FOR: THE PRESIDENT

FROM:

James T. McIntyre, Jr.  
Director

A handwritten signature in black ink, appearing to read "J. McIntyre, Jr.", written over the printed name.

SUBJECT:

OMB comments on Secretary Klutznick memo regarding  
reallocation of fish allotment in U.S. 200-mile zone  
withheld from the Soviet Union

From a budget policy standpoint, OMB does not object to the proposal contained in Secretary Klutznick's memo to the President on the reallocation of fish allotments now being withheld from the Soviet Union.

I do believe, however, that the question of using fish stock allocations exclusively as a lever to reduce trade barriers should be considered carefully and the advantages and disadvantages weighed before a policy decision is made. Although trade considerations are legitimate factors to be considered in allocating excess fish stocks, I do not believe that historical fishing patterns and foreign policy concerns can be ignored or considered inconsequential.

ID 800783

THE WHITE HOUSE

WASHINGTON

DATE: 05 FEB 80

FOR ACTION: STU EIZENSTAT

ZBIG BRZEZINSKI

JIM MCINTYRE

*- will consent*

*attached*

*attached*  
*covered*  
*by BRB*

INFO ONLY: THE VICE PRESIDENT

SUBJECT: KLUTZNICK MEMO RE REALLOCATION OF FISH ALLOTMENT IN  
U.S. 200-MILE ZONE WITHHELD FROM THE SOVIET UNION

+++++  
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +  
+ BY: 1200 PM THURSDAY 07 FEB 80 +  
+++++

ACTION REQUESTED: PLEASE ADVISE IF PRESIDENT NEEDS TO SEE

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

ID 800783

THE WHITE HOUSE

WASHINGTON

DATE: 05 FEB 80

FOR ACTION: STU EIZENSTAT

ZBIG BRZEZINSKI

JIM MCINTYRE

INFO ONLY: THE VICE PRESIDENT

SUBJECT: KLUTZNICK MEMO RE REALLOCATION OF FISH ALLOTMENT IN  
U.S. 200-MILE ZONE WITHHELD FROM THE SOVIET UNION

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+++++

ACTION REQUESTED: PLEASE ADVISE IF PRESIDENT NEEDS TO SEE

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

B  
D

THE SECRETARY OF COMMERCE

WASHINGTON, D.C. 20230

"FYI"

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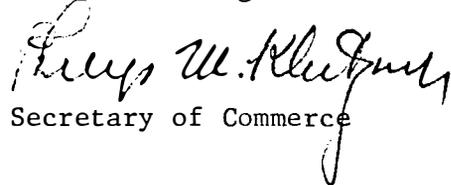
MEMORANDUM FOR THE PRESIDENT

SUBJECT: Reallocation of Fish Allotment in U.S. 200-Mile Zone  
Withheld from the Soviet Union

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Secretary of Commerce

The President  
The White House  
Washington, D.C. 20500

MEMORANDUM

NATIONAL SECURITY COUNCIL

February 5, 1980

MEMORANDUM FOR: RICK HUTCHESON

FROM: CHRISTINE DODSON (S)

SUBJECT: Reallocation of Fish Allotment in  
the 200 Mile Zone Withheld from the  
Soviet Union

We share Phil Klutznick's concern about the need to reallocate the Soviet fishing quota on some sensible basis. But we believe that his fears that State will give priority to non-commercial considerations are premature.

State does have legal authority to reallocate unused quotas, but it has informed us that it will consult with Commerce, other agencies, and domestic interests before making any recommendations regarding specific country allocations. We also understand that State plans to take into account the trade benefits cited in Klutznick's memo as well as historical fishing patterns and other considerations in this process. State officials said they strongly support efforts to reduce our large trade deficit in fisheries products.

Under these circumstances, we question whether a memo to the President is really necessary at this time.



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

FEB 7 1980

MEMORANDUM FOR: THE PRESIDENT

FROM: James T. McIntyre, Jr. (signed) Jim  
Director

SUBJECT: OMB comments on Secretary Klutznick memo regarding  
reallocation of fish allotment in U.S. 200-mile zone  
withheld from the Soviet Union

From a budget policy standpoint, OMB does not object to the proposal contained in Secretary Klutznick's memo to the President on the reallocation of fish allotments now being withheld from the Soviet Union.

I do believe, however, that the question of using fish stock allocations exclusively as a lever to reduce trade barriers should be considered carefully and the advantages and disadvantages weighed before a policy decision is made. Although trade considerations are legitimate factors to be considered in allocating excess fish stocks, I do not believe that historical fishing patterns and foreign policy concerns can be ignored or considered inconsequential.



5  
National Aeronautics and  
Space Administration

RF  
Washington, D.C.  
20546

Office of the Administrator

February 8, 1980

The President  
The White House  
Washington, DC 20500

064716

Dear Mr. President:

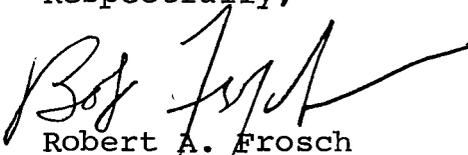
The enclosed report on the Space Shuttle covers the period between December 18, 1979, and February 1, 1980. It was delayed from mid-January in order to incorporate the results of a major review of the Thermal Protection System which we found to be necessary in order to resolve a number of issues which were seriously delaying our progress toward first launch. As the report advises, we now have a much better understanding of these issues and, although we are forecasting a delay until the end of the year for the first flight, we have confidence both in the system and in our knowledge of the steps which must be taken to prepare it for flight.

Shuttle management is responding well to the actions initiated last fall after our meeting. I believe that our periodic top level meetings with both the Department of Defense and the Office of Management and Budget are very fruitful. They were particularly effective as we prepared the FY 1981 budget and the testimony which follows its submittal to the Congress.

I am, of course, concerned about the timeliness of congressional action on our request for a supplement to the FY 1980 appropriation. A delay in approval of this request beyond early June would make the program extremely difficult to manage. I have discussed this with Jim McIntyre, and OMB and NASA are working together to assure that the urgency

of the request is brought to the attention of the appropriate people within Congress.

Respectfully,



Robert A. Frosch  
Administrator

Enclosure

## SPACE SHUTTLE HIGHLIGHTS

(Period from December 18, 1979 to February 1, 1980)

### A. Orbiter

1. Thermal Protection System - In early January, it became apparent that our progress toward completion of the installation and testing of the thermal protection system tiles on Orbiter 102 was not meeting our expectations. During the major review which was undertaken to determine the proper corrective action, it became evident that in the early stages of the development of the system both NASA and our contractors had focused engineering attention on the development of a material having satisfactory thermal properties, but had given insufficient attention to its structural characteristics. As a result, the ceramic material which was developed and is now being installed can, without degradation, repeatedly withstand the thermal cycles to which the orbiter will be exposed during its lifetime, but does not consistently have the homogeneous, repeatable mechanical properties characteristic of more conventional structural materials. Its porosity, although contributing favorably to the low density of the system, has made it difficult to develop a process of bonding the tiles to the metallic airframe with uniform structural properties. Made of very high purity sintered silica fibers, the tiles are comparatively brittle, a characteristic which does not impair their thermal properties, but which requires that they be structurally isolated from the mechanical and thermal deformations of the basic airframe. Providing a satisfactory method of attachment with the proper degree of structural isolation has resulted in a complex overall system which is considerably more difficult to install and test than was anticipated.

We have reviewed the entire thermal protection system: the basic material, the design and fabrication of the tiles, the method of installation, the flight loads to which they will be subjected, and the several types of tests required to verify that the system is satisfactory. We have concluded that, although the system is difficult to work with, we now understand it well enough to proceed with the installation and test

activities with confidence. We expect, however, to replace more tiles than we had planned and our test program will be more extensive than we had anticipated.

Although we have not been able to reflect all of our decisions in a schedule change, it is now improbable that we will have the thermal protection system installed and tested on the orbiter before July. This will lead to a first launch no earlier than late November of this year, and possibly in the first quarter of 1981 -- a delay of four to five months from our anticipation last December. We have informed the Department of Defense and the Office of Management and Budget of this determination.

2. General Status - A highly successful series of flight simulations involving many of launch complex and Orbiter 102 hard and software systems was conducted without major incident in January. Hardware certification for the first flight is now about 83 percent complete. All other work on the first flight vehicle is proceeding satisfactorily.

#### B. Main Engine

General Status - Total test firing time now exceeds 60,000 seconds, three-fourths of the 80,000 seconds which we consider as the minimum which we will require before first flight. Three full duration firings and four ignition tests were successfully carried out in the engine certification program. A main propulsion system test run on the first of February was terminated approximately five seconds after ignition as a result of an over-temperature indication in the high pressure oxidizer turbopump. Analysis of test data is not complete, although preliminary indications point to an oxidizer-rich start sequence. There is no immediate visual indication of engine damage. The date of the next firing has not been set, pending completion of data analysis.

#### C. External Tank and Solid Rocket Booster

General Status - The flight solid rocket motors have now been assembled and the mating of the solid rocket boosters

and the external tank is scheduled for early March. These systems are on schedule.

D. Orbiter Production

The production schedule has not been affected by delay of the first flight test. Progress on 099, the Second Orbiter, supports planned delivery in June 1982; 103 and 104 will follow in September 1983 and December 1984.

THE WHITE HOUSE  
WASHINGTON

19 Feb 80

Zbig Brzezinski

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
appropriate handling.

Rick Hutcheson

cc; Frank Moore

THE WHITE HOUSE  
WASHINGTONACTION

February 15, 1980

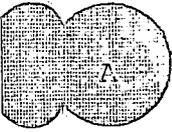
MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI *ZB*  
FRANK MOORE *FM/aa*

SUBJECT: Central American Supplemental

The Central American Supplemental Authorization will be considered by the House on Thursday. Although it passed the Senate by a healthy margin, 55-34, we are concerned about passage in the House. We are, therefore, asking you to sign the letter to the Speaker at Tab A.

Cleared by Speechwriters.



Briefing memo from  
MacLeary re Murdoch  
on Catty's shelf!

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THE WHITE HOUSE

WASHINGTON

February 16, 1980

Dear Mr. Speaker:

I am writing to request passage of the special Central American Assistance Act of 1979 (H.R. 6081), which was transmitted by my message of November 9, 1979. This legislation is needed urgently.

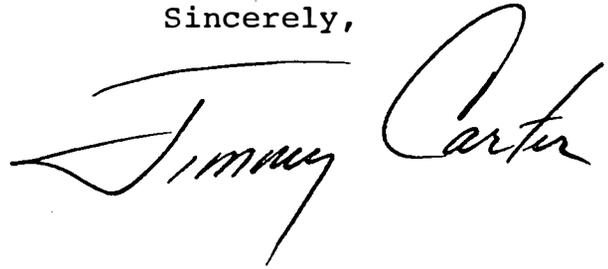
As I pointed out in my written State of the Union message to Congress, several countries of Central America and the Caribbean are undergoing turbulent social and political change. Their frail economies have been weakened by civil strife, and they now are vulnerable to extremist forces. Cuba is aggressively exploiting their instability. The United States has a clear interest in supporting a moderate, democratic outcome.

By reallocating funds from the still pending Fiscal Year 1980 appropriations, we intend to increase our assistance to some of the distressed countries of this region, but Nicaragua's needs in particular can be met only by a supplemental appropriation. That country, devastated by civil war, faces a fundamental choice: a closed, totalitarian form of government or an open, democratic system. Our assistance would go primarily to the private sector and would invigorate its participation in Nicaragua's economic and political development.

We will not be making this investment alone. Other countries and international institutions have pledged over \$580 million in new aid to Nicaragua. Our Latin American friends are devoting their influence and resources to this cause and calling for appropriate contributions by the United States. The special authorization for Central America is essential to an adequate and timely U.S. response to this challenge.

I ask for early authorization of the supplemental appropriation of \$80 million for economic assistance to Central America and for early completion of congressional action on the Foreign Assistance Appropriation Bill for Fiscal Year 1980.

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

The Honorable Thomas P. O'Neill, Jr.  
Speaker of the  
House of Representatives  
Washington, D.C. 20515

6:45 pm

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

February 14, 1980

DINNER AND DEFENSE BRIEFING FOR HOUSE MEMBERS

Tuesday, February 19, 1980  
6:30 p.m.  
The State Floor

From: Frank Moore

SCENARIO

The Members of the House have been invited for 6:30 p.m. The President should arrive at the State Dining Room about 6:45 p.m. and eat dinner at a table of his choice.

After dinner, the Members will proceed from the State Dining Room to the East Room. We would like to get photographs taken of each Member with the President and suggest that the President stand just outside the East Room door for the photographs.

The President will lead the briefing and be followed by Secretary Brown and Chairman, JCS, David Jones *and*

*Jim McIntyre.*

Attendees

Bill Alexander  
Glenn Anderson  
Ike Andrews  
Frank Annunzio  
Beryl Anthony  
Les Aspin  
Don Bailey  
Doug Barnard  
Edward Beard  
Berkley Bedell  
Ed Bethune  
Don Bonker  
Marilyn Lloyd Bouquard  
John Brademas  
William Broomfield  
John Buchanan

Phil Burton  
John Cavanaugh  
Baltasar Corrada  
Lawrence Coughlin  
Daniel Crane  
Norman D'Amours  
George Danielson  
Joel Deckard  
Brian Donnelly  
Robert Drinan  
Don Edwards  
Arlen Erdahl  
John Erlenborn  
Walter Fauntroy  
Paul Findley  
Floyd Fithian

Thomas Foley  
William Ford  
Edwin Garcia  
Dan Glickman  
Barry Goldwater, Jr.  
Henry Gonzalez  
Bill Gray  
Bill Green  
Lamar Gudger  
Sam Hall  
Jim Hanley  
George Hansen  
Margaret Heckler  
Jon Hinson  
Larry Hopkins  
Frank Horton  
Jerry Huckaby  
Jim Jeffries  
James Johnson  
Ed Jones  
Richard Kelly  
Dale Kildee  
Thomas Kindness  
Ray Kogovsek  
Delbert Latta  
Jim Leach  
Mickey Leland  
Edward Madigan  
Ron Marlenee  
Robert Matsui  
Jim Mattox  
Pete McCloskey  
Joseph McDade  
Dan Mica  
George Miller  
Joseph Minish  
Parren Mitchell  
Steve Neal  
Richard Nolan  
Mary Rose Oakar  
Don Pease  
Carl Perkins  
Thomas Petri  
Peter Peyser  
John Porter  
Joel Pritchard  
Tom Railsback

Henry Reuss  
Frederick Richmond  
Don Ritter  
Peter Rodino  
Robert Roe  
Dan Rostenkowski  
Toby Roth  
Eldon Rudd  
Harold Sawyer  
Jim Scheuer  
Keith Sebelius  
James Sensenbrenner  
Richard Shelby  
Norman Shumway  
E.G. (Bud) Shuster  
Ike Skelton  
Olympia Snowe  
Gene Synder  
Gladys Spellman  
Charles Stenholm  
Louis Stokes  
Steven Symms  
Michael Synar  
Thomas Tauke  
William Thomas  
Harold Volkmer  
Jim Weaver  
Charles Whitley  
Charles Wilson (Tx)  
Jim Wright  
Chalmers Wylie